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THIRD ANNUAL REPORT  
OF  
The Jewish Farmers'  
Cooperative Credit Unions

Organized by  
THE JEWISH AGRICULTURAL AND  
INDUSTRIAL AID SOCIETY  
174 Second Avenue      New York City

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The Jewish Farmers' Co-operative Credit Unions—the first and so far the only co-operative agricultural credit banks on American soil—were created by the Jewish Agricultural and Industrial Aid Society.

## LAND CREDIT

This Society is an off-shoot of the Baron de Hirsch Foundation which came into existence in 1890. From its very inception the Baron de Hirsch Fund, among its other activities, made loans to Jewish farmers. Ten years later the Jewish Agricultural and Industrial Aid Society was incorporated, specially to look after the agricultural end of the Baron de Hirsch Fund work. All agricultural matters were then turned over to the newly organized society. It can therefore be said that the Jewish Agricultural and Industrial Aid Society, together with the loans made by its parent organization, has been engaged in the land credit business close to twenty-four years. The land credit system of that society is, accordingly, the oldest extant in the United States.

With the exception of the manner of raising its funds the land credit system of the Jewish Agricultural Society is not unlike that of the Crédit Foncier and other corporate land credit institutions of the type prevailing on the European Continent. Loans are secured by real estate mortgage and are repayable by amortization in moderate annual installments. The interest rate is four per cent. Although the funds of the Agricultural Aid Society are limited to a stated annual income and its operations are confined to a special class, its work shows the possibilities of land credit and its adaptability to American conditions. In the fourteen years the society has been in existence it has granted 2,800 loans aggregating about \$1,800,000. These loans were made to 2,500 Jewish farmers in 31 states and in Canada. The operations of that Society thus embrace a much larger territory than those of all the land credit banks in Continental Europe taken together.

## CO-OPERATIVE CREDIT

The co-operative credit system of that society is a direct outgrowth of its land credit system. The need of short time personal credit by the American farmer was long recognized by those at the head of the society. But with a clientele scattered over practically

the entire country, direct extension of personal credit was not deemed practicable. Accordingly, as early as 1907, serious consideration was given to the question of relieving the situation by the adoption of one of the European co-operative systems. But progress was not very rapid. The wealth of literature, which is now at everybody's command, was wanting then and it was necessary to go to original sources for information. Legislation on the subject, too, was non-existent and it was a question whether such associations could be legally organized. In 1909 the society was prepared to attack the problem definitely and it was then and there decided to organize these Credit Unions as unincorporated or voluntary associations. Meanwhile the spirit of co-operation was growing among the Jewish farmers and the ground work was being laid for these Credit Unions through the organization of many local Jewish farmers' associations and their federation into the Federation of Jewish Farmers of America.

## PIONEER CREDIT UNIONS

The first credit union commenced business in May, 1911; 3 were organized that year, 5 in 1912, and 9 in 1913, making a total of 17 in operation. Eight of these are located in New York, 5 in New Jersey, and 4 in Connecticut. Each of them raised \$500 or more from the sale of shares to members and the Aid Society loaned them each \$1,000 with which to begin operations. The form of organization of these Credit Unions is similar to that of the Raiffeisen banks—after which most co-operative credit institutions the world over are patterned—in so far as that system could be adapted to American conditions and to the peculiar needs of the situation.

The table on the following page contains a report of the operations and financial statement of these Credit Unions for September 30, 1913. As will be observed, they have an aggregate membership of 517 and a capital of \$9,165. They have been in operation for periods averaging a little over 13 months during which time they loaned out \$73,624.66, about eight times their capital. Their net profits amount to \$1,317.93, that is, at the rate of 13  $\frac{1}{4}$  per cent. per annum on their capital.

Table showing the operations of the Jewish Farmers' Cooperative Credit Unions since their organization  
 (Compiled by the Jewish Agricultural and Industrial Aid Society)

NAME.	Commenced Business.		No. of Shares Outstanding.		Loans of		No. of Loans Outstanding.		Interest Collected.		Expenses.		Total Assets.		Total Liabilities.		Assets Over Liabilities.
	No. of Members.	No. Outstanding.	No. Granted.	Amount Loans Granted.	No. Repaid.	Amount of Loans Outstanding.	No. Outstanding.	Amount of Principal Collected.	No. Outstanding.	Amount Loans Outstanding.	No. Outstanding.	Interest Collected.	No. Outstanding.	Total Assets.	Total Liabilities.		
Fairfield, Conn. ....	May, 1911	29	108	108	\$6,930.00	87	\$5,630.00	\$1,300.00	\$189.64	\$138.37	\$1,601.77	\$1,540.00		\$61.77			
Ellington, Conn. ....	May, 1911	23	112	92	7,555.00	72	5,905.00	1,650.00	231.54	91.20	1,709.98	1,560.00		149.98			
Rensselaer, N. Y. ....	May, 1911	29	84	109	6,513.00	86	5,017.00	1,496.00	208.32	105.12	1,544.35	1,420.00		124.35			
Briggs St., N. Y. ....	March, 1912	46	117	86	6,035.00	67	4,553.50	1,481.50	160.63	41.30	1,704.33	1,585.00		119.33			
Lebanon, Conn. ....	March, 1912	24	117	86	5,524.90	64	4,021.85	1,503.05	191.13	57.93	1,756.78	1,585.67		171.11			
Colchester, Conn. ....	April, 1912	26	101	63	4,070.00	38	2,535.00	1,535.00	140.48	35.88	1,613.40	1,506.00		107.40			
Fallsburg, N. Y. ....	April, 1912	44	113	78	5,384.00	61	4,204.00	1,180.00	140.10	59.99	1,687.57	1,565.96		121.61			
Hurleyville, N. Y. ....	May, 1912	32	119	129	8,034.82	102	6,326.79	1,708.03	152.45	33.93	1,723.42	1,597.00		126.42			
Hightstown, N. J. ....	Jany, 1913	32	100	34	2,130.00	9	830.00	1,300.00	53.45	15.41	1,538.04	1,500.00		38.04			
Parksville, N. Y. ....	Jany, 1913	24	120	31	2,750.00	17	1,600.00	1,150.00	70.00	34.59	1,634.91	1,600.00		34.91			
Woodbine, N. J. ....	Feby, 1913	28	100	42	2,930.00	23	1,690.00	1,240.00	53.12	10.92	1,542.20	1,500.00		42.20			
Carmel, N. J. ....	Feby, 1913	36	144	60	3,530.00	33	2,080.00	1,450.00	65.35	16.38	1,773.22	1,720.00		53.22			
Flemington, N. J. ....	March, 1913	22	100	67	4,097.94	43	2,782.97	1,314.97	62.43	23.03	1,544.51	1,500.00		44.51			
Perrineville, N. J. ....	April, 1913	29	97	27	1,835.00	13	1,040.00	795.00	37.70	24.47	1,498.23	1,485.00		13.23			
Ellenville, N. Y. ....	April, 1913	26	100	42	2,475.00	20	1,210.00	1,265.00	49.83	24.47	1,525.86	1,500.00		25.86			
Maplewood, N. Y. ....	April, 1913	34	102	21	1,925.00	8	675.00	1,250.00	49.75	6.97	1,552.78	1,510.00		42.78			
Stev'ville & Ferndale, N. Y.	April, 1913	33	99	28	1,905.00	11	715.00	1,190.00	44.43	6.97	1,536.21	1,495.00		41.21			
Totals .....		517	1833	1103	\$73,624.66	754	\$50,816.11	\$22,808.55	\$1,900.35	\$726.93	\$27,487.56	\$26,169.63		\$1,317.93			